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EXTRAORDINARY

PART II—Section 1

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MINISTRY OF LAW

New Delhi, the 6th October, 1951

The following Act of Parliament received the assent of the President on the 6th October, 1951 and is hereby published for general information —

THE EMPLOYEES' STATE INSURANCE (AMENDMENT) ACT, 1951.

No. LIII OF 1951

An Act to amend the Employees' State Insurance Act, 1948.

[6th October, 1951]

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Employees' State Insurance (Amendment) Act, 1951.

2. **Amendment of section 1, Act XXXIV of 1948.**—In section 1 of the Employees' State Insurance Act, 1948 (hereinafter referred to as the principal Act),—

(a) in sub-section (2), for the words and letter "except Part B States" the words "except the State of Jammu and Kashmir" shall be substituted;

(b) in sub-section (3), for the words "for different States" the words "for different States or for different parts thereof" shall be substituted;

(c) in sub-section (5), for the words "with the approval of the Central Government" the words "where the appropriate Government is a State Government, with the approval of the Central Government" shall be substituted.

3. **Amendment of section 2, Act XXXIV of 1948.**—In section 2 of the principal Act,—

(a) for clause (2) the following clause shall be substituted, namely:—

"(2) "benefit period" means such period, being not less than twenty-five but not exceeding twenty-seven consecutive weeks or

six consecutive months corresponding to the contribution period, as may be specified in the regulations.

Provided that in the case of the first benefit period a longer or shorter period may be specified by or under the regulations;'

(b) for clause (5) the following clause shall be substituted, namely:—

'(5) "contribution period" means such period, being not less than twenty-five but not exceeding twenty-seven consecutive weeks or six consecutive months, as may be specified in the regulations:

Provided that in the case of the first contribution period a longer or shorter period may be specified by or under the regulations;';

(c) in clause (12),—

(i) in the definition of "factory", the words "or a railway running shed" shall be added at the end; and

(ii) for the figures "1934" the figures "1948" shall be substituted;

(d) in clause (15), for the figures "1934" the figures "1948" shall be substituted;

(e) in clause (17), in sub-clause (i), for the words, brackets, letter and figures "clause (e) of sub-section (1) of section 9 of the Factories Act, 1934" the words and figures "the Factories Act, 1948" shall be substituted;

(f) in clause (22), for the words "paid at regular intervals after the last day of the wage period" the words "paid at intervals not exceeding two months" shall be substituted.

4. Amendment of section 4, Act XXXIV of 1948.—In section 4 of the principal Act, in clause (d), for the words and letter "Part A States" the words and letters "Part A States and Part B States in which this Act is in force" shall be substituted.

5. Amendment of section 8, Act XXXIV of 1948.—In section 8 of the principal Act,—

(a) after clause (b) the following clause shall be inserted, namely:—

"(bb) three members of the Corporation representing such three State Governments thereon as the Central Government may, by notification in the Official Gazette, specify from time to time;";

(b) in clause (c),—

(i) for the word "nine" the words "six" shall be substituted; and

(ii) sub-clause (i) shall be omitted.

6. Amendment of section 9, Act XXXIV of 1948.—In section 9 of the principal Act, for the word, brackets and letter "clause (b)", in both the places where they occur, the words, brackets and letters "clause (b) or clause (bb)" shall be substituted.

7. Amendment of section 10, Act XXXIV of 1948.—In section 10 of the principal Act, in clause (d) of sub-section (1), for the words and letter "Part A States" the words and letters "Part A States and Part B States in which this Act is in force" shall be substituted.

8. Amendment of section 12, Act XXXIV of 1948.—Section 12 of the principal Act shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) Where in the opinion of the Central Government any person nominated or elected to represent employers, employees or the medical profession on the Corporation, the Standing Committee or the Medical Benefit Council, as the case may be, has ceased to represent such employers, employees or the medical profession, the Central Government may, by notification in the Official Gazette, declare that with effect from such date as may be specified therein such person shall cease to be a member of the Corporation, the Standing Committee or the Medical Benefit Council, as the case may be.”

9. Amendment of section 22, Act XXXIV of 1948.—In clause (a) of section 22 of the principal Act, for the words “the Corporation, the Standing Committee and the Medical Commissioner” the words “the Corporation and the Standing Committee” shall be substituted.

10. Amendment of section 26, Act XXXIV of 1948.—In section 26 of the principal Act,—

(a) in sub-section (2), the words and letter “Part B States” shall be omitted; and

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Subject to the other provisions contained in this Act and to any rules or regulations made in this behalf, all moneys accruing or payable to the said Fund shall be paid into the Reserve Bank of India or such other bank as may be approved by the Central Government to the credit of an account styled the account of the Employees’ State Insurance Fund.”

11. Amendment of section 28, Act XXXIV of 1948.—In clause (v) of section 28 of the principal Act, the words and letter “Part B States” shall be omitted.

12. Substitution of new section for section 44 in Act XXXIV of 1948.—For section 44 of the principal Act, the following section shall be substituted, namely:—

“44. *Employers to furnish returns and maintain registers in certain cases.*—(1) Every principal and immediate employer shall submit to the Corporation or to such officer of the Corporation as it may direct such returns in such form and containing such particulars relating to persons employed by him or to any factory or establishment in respect of which he is the principal or immediate employer as may be specified in regulations made in this behalf.

(2) Where in respect of any factory or establishment the Corporation has reason to believe that a return should have been submitted under sub-section (1) but has not been so submitted, the Corporation may require any person in charge of the factory or establishment to furnish such particulars as it may consider necessary for the purpose of enabling the Corporation to decide whether the factory or establishment is a factory or establishment to which this Act applies.

(3) Every principal and immediate employer shall maintain such registers or records in respect of his factory or establishment as may be required by regulations made in this behalf."

13. Amendment of section 45, Act XXXIV of 1948.—In sub-section (2) of section 45 of the principal Act, after clause (c) the following clauses shall be inserted, namely:—

"(d) make copies of, or take extracts from, any register, account book or other document maintained in such factory, establishment, office or other premises;

(e) exercise such other powers as may be prescribed."

14. Amendment of section 50, Act XXXIV of 1948.—In section 50 of the principal Act,—

(a) in sub-section (1), for the word "occurring" the words "occurring or expected to occur" shall be substituted;

(b) in sub-section (2), for the words "the rate of twelve annas a day" the words "the daily rate specified in sub-section (3)" shall be substituted,

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) The daily rate referred to in sub-section (2) shall be—

(i) the rate at which the insured woman could have claimed sickness benefit for any period of sickness during the benefit period in which the confinement occurs or is expected to occur if she had been qualified to claim sickness benefit during that period, or

(ii) twelve annas,

whichever is greater."

15. Amendment of section 53, Act XXXIV of 1948.—In clause (ii) of section 53 of the principal Act, for the words and figures "Commissioner appointed under the Workmen's Compensation Act, 1923 (VIII of 1923)" the words "Employees' Insurance Court having jurisdiction" shall be substituted

16. Amendment of section 55, Act XXXIV of 1948.—In section 55 of the principal Act,—

(a) for sub-section (1) the following sub-section shall be substituted, namely:—

"(1) Subject to the provisions of this Act, the Corporation may, either of its own motion or on the application of the person receiving the benefit, review the payment of any disablement or dependants' benefit.

Provided that unless otherwise specified in the regulations made in this behalf every application for the review of a disablement benefit shall be accompanied by a certificate of a duly appointed medical officer."

(b) in sub-section (2).—

(i) for the words "the Commissioner" the words "the Corporation" shall be substituted; and

(u) for the words "disablement benefit" the words "disablement or dependants' benefit" shall be substituted.

17. Amendment of section 56, Act XXXIV of 1948.—In sub-section (3) of section 56 of the principal Act, for the words "or as provided under the regulations, is in receipt of disablement benefit" the words "or is in receipt of such disablement benefit as does not disentitle him to medical benefit under the regulations" shall be substituted.

18. Amendment of section 58, Act XXXIV of 1948.—In sub-section (4) of section 58 of the principal Act, for the words and letter "for a Part A State" the words "of a State" shall be substituted.

19. Amendment of section 68, Act XXXIV of 1948.—In sub-section (1) of section 68 of the principal Act, for clause (i), the following clause shall be substituted, namely:—

"(i) the difference between the amount of benefit which is paid by the Corporation to the said person and the amount of the benefit which would have been payable on the basis of the contributions which were in fact paid by the employer; or";

20. Insertion of new Chapter V-A in Act XXXIV of 1948.—In the principal Act, after Chapter V, the following shall be inserted as Chapter V-A, namely:—

CHAPTER V-A.

TRANSITORY PROVISIONS.

78A. Employer's special contribution.—(1) For so long as the provisions of this Chapter are in force, every principal employer shall, notwithstanding anything contained in this Act, pay to the Corporation a special contribution (hereinafter referred to as the employer's special contribution) at the rate specified under sub-section (3).

(2) The employer's special contribution shall, in the case of a factory or establishment situate in any area in which the provisions of both Chapters IV and V are in force, be in lieu of the employer's contribution payable under Chapter IV.

(3) The employer's special contribution shall consist of such percentage, not exceeding five per cent. of the total wage bill of the employer, as the Central Government may, by notification in the Official Gazette, specify from time to time:

Provided that before fixing or varying any such percentage the Central Government shall give by like notification not less than two months' notice of its intention so to do and shall in such notification specify the percentage which it proposes to fix or, as the case may be, the extent to which the percentage already fixed is to be varied:

Provided further that the employer's special contribution in the case of factories or establishments situate in any area in which the provisions of both Chapters IV and V are in force shall be fixed at a rate higher than that in the case of factories or establishments situate in any area in which the provisions of the said Chapters are not in force.

(4) The employer's special contribution shall fall due as soon as the liability of the employer to pay wages accrues, but may be paid to the Corporation at such intervals, within such time and in such manner as the Central Government may, by notification in the Official Gazette, specify, and any such notification may provide for the grant of a rebate for prompt payment of such contribution.

Explanation.—"Total wage bill" in this section means the total wages which have accrued due to employees in a factory or establishment in respect of such wage periods as may be specified for the purposes of this section by the Central Government by notification in the Official Gazette.

78B. *Special tribunals for decision of disputes or questions under this Chapter where there is no Employees' Insurance Court.*—(1) If any question or dispute arises in respect of the employer's special contribution payable or recoverable under this Chapter and there is no Employees' Insurance Court having jurisdiction to try such question or dispute, the question or dispute shall be decided by such authority as the Central Government may specify in this behalf.

(2) The provisions of sub-section (1) of section 76, sections 77 to 79 and 81 shall, so far as may be, apply in relation to a proceeding before an authority specified under sub-section (1) as they apply in relation to a proceeding before an Employees' Insurance Court.

78C. *Benefits under Chapter V to depend upon employee's contribution.*—The payment of the employee's contribution for any week in accordance with the provisions of Chapter IV in any area where all the provisions of that Chapter are in force shall for the purpose of Chapter V, have effect as if the contributions payable under Chapter IV in respect of that employee for that week had been paid, and shall accordingly entitle the employee as an insured person to the benefits specified in Chapter V if he is otherwise entitled thereto.

Explanation.—In the case of an exempted employee, the employee's contribution shall be deemed to have been paid for a week if the Corporation is satisfied that during that week the employer's contribution under Chapter IV would have been payable in respect of him but for the provisions of this Chapter.

78D. *Mode of recovery of employer's special contribution.*—The employer's special contribution payable under this Chapter may be recovered as if it were an arrear of land revenue.

78E. *Power to call for additional information or return.*—Without prejudice to the other provisions contained in this Act, the Corporation may, for the purpose of determining whether the employer's special contribution is payable under this Chapter or for determining the amount thereof, by general or special order, require any principal or immediate employer or any other person to furnish such information or returns to such authority, in such form and within such time as may be specified in the order.

78F. *Power to exempt to be exercised by Central Government alone in respect of employer's special contributions.*—Notwithstanding anything contained in this Act, the Central Government may, having

regard to the size or location of, or the nature of the industry carried on in, any factory or establishment or class of factories or establishments, exempt the factory or establishment or class of factories or establishments from the payment of the employer's special contribution under this Chapter and nothing contained in sections 87 to 91 inclusive shall be deemed to authorise any State Government to grant any such exemption.

73G. Application of certain provisions of this Act to employer's special contribution—Save as otherwise expressly provided in this Chapter, the provisions of Chapter IV, section 72 and Chapter VII and any rules and regulations made under this Act shall, so far as may be, apply in relation to the payment or recovery of employer's special contributions, the penalties specified in connection therewith and all other matters incidental thereto as they would have applied in relation to an employer's contribution if this Chapter were not in force and the employer's contribution had been payable under this Act.

73H. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Chapter, the Central Government may, by order notified in the Official Gazette, make such provision or give such direction as appear to it to be necessary for the removal of the difficulty.

(2) Any order made under this section shall have effect notwithstanding anything inconsistent therewith in any rules or regulations made under this Act.

73I. Duration of Chapter V-A. The Central Government may, by notification in the Official Gazette, direct that the provisions of this Chapter shall cease to have effect on such date as may be specified in the notification, not being a date earlier than three months from the date of the notification:

Provided that on the provisions of this Chapter so ceasing to have effect the provisions of section 6 of the General Clauses Act, 1897 (X of 1897), shall apply as if the provisions of this Chapter had then been repealed by a Central Act.

21. Amendment of section 75, Act XXXIV of 1948.—In sub-section (7) of section 75 of the principal Act, after clause (e) the following clause shall be inserted, namely:—

“(ee) any direction issued by the Corporation under section 55 on a review of any payment of disablement or dependants' benefits;”.

22. Amendment of section 86, Act XXXIV of 1948.—To sub-section (7) of section 86 of the principal Act, the words “or of such other officer of the Corporation as may be authorised in this behalf by the Central Government” shall be added at the end.

23. Amendment of section 94, Act XXXIV of 1948.—In section 94 of the principal Act, after the words, figures and brackets “Insolvency Act, 1920 (V of 1920)”, the words and letter “or under any law relating to insolvency in force in a Part B State” shall be inserted.

24. Insertion of new section 94A in Act XXXIV of 1948.—After section 94 of the principal Act, the following section shall be inserted, namely:—

“94A. *Delegation of powers.*—The Corporation, and, subject to any regulations made by the Corporation in this behalf, the Standing Committee may direct that all or any of the powers and functions which may be exercised or performed by the Corporation or the Standing Committee, as the case may be, may, in relation to such matters and subject to such conditions, if any, as may be specified, be also exercisable by any officer or authority subordinate to the Corporation.”

25. Amendment of section 97, Act XXXIV of 1948.—In sub-section (2) of section 97 of the principal Act,—

(a) for clause (xix) the following clause shall be substituted, namely:—

“(xix) the returns to be submitted and the registers or records to be maintained by the principal and immediate employers, the forms of such returns, registers or records, and the times at which such returns should be submitted and the particulars which such returns, registers and records should contain;”;

(b) for clause (xxi) the following clause shall be substituted, namely:—

“(xxi) the method of recruitment, pay and allowances, discipline, superannuation benefits and other conditions of service of the officers and servants of the Corporation other than the Principal Officers;”;

(c) after sub-section (2) the following sub-section shall be inserted, namely:—

“(2A) The condition of previous publication shall not apply to any regulations of the nature specified in clause (xxi) of sub-section (2).”

26. Omission of section 98, Act XXXIV of 1948.—Section 98 of the principal Act shall be omitted.

27. Insertion of new section 100 in Act XXXIV of 1948.—After section 99 of the principal Act, the following section shall be inserted, namely:—

“100. *Repeals and savings.*—If, immediately before the day on which this Act comes into force in a Part B State, there is in force in that State any law corresponding to this Act, that law shall, on such day, stand repealed:

Provided that the repeal shall not affect—

- (a) the previous operations of any such law, or
- (b) any penalty, forfeiture or punishment incurred in respect of any offence committed against any such law, or
- (c) any investigation or remedy in respect of any such penalty, forfeiture or punishment;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed:

Provided further that subject to the preceding proviso anything done or any action taken under any such law shall be deemed to have

been done or taken under the corresponding provision of this Act and shall continue in force accordingly unless and until superseded by anything done or any action taken under this Act."

28. Amendment of Schedule I, Act XXXIV of 1948.—In Schedule I to the principal Act, for paragraph 2 the following paragraph shall be substituted, namely:—

"2. The average daily wages shall be:—

(a) in respect of an employee whose wage period is a day, the amount of wages earned during the week divided by the number of days worked in that week;

(b) in respect of an employee employed on the basis of any other wage period, the amount of wages earned in that wage period in which the contribution falls due divided by the number of days worked in such wage period;

(c) in respect of an employee employed on any other basis, the amount calculated on the basis of wages earned for the day on which the contribution falls due or on such other day as may be specified in the regulations in this behalf.

Explanation I.—Subject to any regulations made in this behalf, the term "days worked" means the number of days on which the employee worked for wages.

Explanation II.—Where any night shift continues beyond midnight, the period of the night shift after midnight shall be counted for reckoning the days worked as part of the day preceding.

Explanation III.—Except as provided by regulations, wages, pay, salaries or allowances paid in respect of any period of leave or holidays other than the weekly holidays shall not be taken into account in calculating wages.

Explanation IV.—"Wage period" means the period in respect of which wages are ordinarily payable whether in terms of the contract of employment, express or implied, or otherwise."

29. Amendment of Schedule II, Act XXXIV of 1948.—In Schedule II to the principal Act,—

(a) in paragraph 2,—

(i) after the word and figures "section 48" the words "plus the number of any other weeks in that contribution period for which contributions were paid in respect of the person" shall be inserted;

(ii) in *Example 3*, for the words "benefit year" the words "benefit period" shall be substituted;

(b) in paragraph 3, for the words "provided that", the following words shall be substituted, namely:—

"Provided that where no contribution was paid in respect of the employee during the aforesaid period of fifty-two weeks the disablement and dependants' benefit shall be an amount equivalent to one-fifty-second part of the monthly wages calculated in

accordance with section 5 of the Workmen's Compensation Act, 1928 (VIII of 1928), and provided further that";

(c) in paragraph 4, in the second proviso to sub-paragraph (ii),—

(i) for the words "legitimate children" the words "legitimate children or adopted son" shall be substituted;

(ii) for the words "exceeds the full rate" the words "exceeds at any time the full rate" shall be substituted; and

(iii) for the word "reduced" the word "altered" shall be substituted;

(d) in paragraph 5, for the words and figures "Commissioner appointed under the Workmen's Compensation Act, 1928" the words "Employees' Insurance Court having jurisdiction" shall be substituted.

K. V. K. SUNDARAM,

Secy. to the Govt. of India.